

THE STATE OF CALIFORNIA 1915(b) PROGRAM

Project Name:	Santa Barbara Health Initiative (SBHI)
Initial Proposal Approval:	January 01, 1987
Renewal Approval:	January 12, 2003
Renewal Expiration:	January 11, 2005

PROGRAM SUMMARY:

The State of California submitted a proposal under Section 1915(b) of the Social Security Act (the Act) authority to allow under the County Organized Health System (COHS) model, a local agency with representation from providers, beneficiaries, local county government, and other interested parties, to contract with the Medi-Cal program. Operating under federal Medicaid freedom of choice and other waivers, the COHS administers a capitated, comprehensive, case managed health care delivery system.

In 1982, a California statute (W&I Code, Section 14499.5 et. seq.) was enacted authorizing the Santa Barbara County Board of Supervisors to create the Santa Barbara Regional Health Authority (SBRHA) for the purposes of contracting on a risk basis with the State, to arrange and pay for Medi-Cal health care services to be provided to Medi-Cal beneficiaries who are residents of Santa Barbara County. The Santa Barbara Regional Health Authority is the governing agency for the Santa Barbara Health Initiative (SBHI) program.

SBRHA contracted with the State to arrange for the provision of Medi-Cal services to the eligible Medi-Cal population residing in Santa Barbara County. SBRHA arranges and pays for health care services but does not directly provide them. SBRHA contracts with health care providers in Santa Barbara County and in other counties for the provision of services to Medi-Cal beneficiaries. Through local administration, SBRHA has been successful in maintaining provider participation in the Medi-Cal (Medicaid) program and assuring the delivery of Medi-Cal services to approximately 40,000 Medi-Cal beneficiaries each month.

HEALTH CARE DELIVERY:

SBRHA specifically operates as a primary care network which emphasizes case management as a means of encouraging physician participation, improved access to care, high quality medicine, and efficient treatment patterns. SBRHA's delivery system is designed to curtail inappropriate beneficiary self-referral and assure that health care is appropriate to the health needs of the beneficiary as determined by a physician familiar with the beneficiary. Beneficiaries are linked to primary care providers (PCPs) who serve as the entry point of access to specialty physicians, hospitals, and other designated providers contracting with SBRHA. SBRHA has assumed both the administrative and financial responsibilities for the Child Health and Disability Prevention (CHDP) program.

The SBRHA has the ultimate responsibility for locating and coordinating all health care delivered to members. SBRHA also has the responsibility for monitoring the care received by its members. SBRHA must continuously show evidence of its capacity to arrange and pay for services to all covered members. As a managed care entity, the SBRHA is obligated to assure that preventive health services are furnished to all covered members.

BENEFIT PACKAGE:

Under its contractual arrangement with the State, SBRHA agrees to assure that the basic scope of health

care services provided under the FFS program are available to its members. SBRHA is “at risk” for the provision of and payment for all covered Medi-Cal health care services which are not specifically excluded under its contract with the State. Contractually excluded services which are Medi-Cal benefits are available to SBHRA members through the regular Medi-Cal FFS. For those excluded services and programs which are run by the County or provided through the State FFS system, SBRHA will coordinate to assure appropriate assessment and referrals are provided as necessary.

EXCLUDED SERVICES:

California Children’s Services (CCS) case management
Dental services except for hospital services
Mental Health Services
Adult Day Health Care Services
Long Term Care Services

LOCK-IN PROVISION:

Not applicable

ENROLLMENT BROKER:

Beneficiaries are automatically covered by SBRHA when they are determined to be eligible for Medi-Cal benefits in Santa Barbara County, and have a program aid code covered by the SBRHA. Coverage is discontinued only when an individual: is no longer a resident of Santa Barbara County; is no longer Medi-Cal eligible; or changes to a non-covered program aid code.

COST EFFECTIVENESS/FINANCIAL INFORMATION:

California has demonstrated a savings of \$19 million over the previous two years. California expects a savings of about \$26 million in total savings for the two-year waiver renewal period. The State demonstrated cost-effectiveness in the following manner: The State’s actual fee-for-service (FFS) paid claims under the waiver, which were paid based on population, inflation/utilization, pricing, programmatic/policy changes, administrative costs and carved-out services, were totaled to document costs under the waiver. Those same FFS paid claims were then repriced using the payment rates that would have been in effect if the waiver was not implemented in order to determine what costs would have been without the waiver. To determine savings, total costs under the waiver were compared to total costs that would have been incurred in the absence of the waiver

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